

MULTIMEDIA



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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2019/2020

BTQ3894 – TQM FOR MANAGERS
(All sections / Groups)

14 OCTOBER 2019

9 a.m. – 11 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **FOUR (4)** pages (including the cover page).
2. Answer **ALL** questions. The marks distributions are given in parentheses.
3. Write all your answers in the **Answer Booklet** provided.

SECTION A

QUESTION 1

Read the following case and answer the given questions.

UPS: Delivering the Total Package in Customer Service

In 1907 there was a great need in the United States for private messenger and delivery services. The U.S. Postal Service was not yet offering parcel delivery, and few offices and private homes had telephones, so messages had to be delivered by hand and packages by courier. To help meet customers' communication needs, an energetic 19-year-old, James (Jim) E. Casey, started the American Messenger Company in Seattle. Although the company began with a small staff and faced stiff competition, it did fairly well, primarily because of Casey's strict policies. He built his business on four principles: customer courtesy, reliability, around-the clock service, and low rates.

Casey's company eventually became United Parcel Service, or UPS. The name United Parcel Service was chosen to draw attention to the words United, to emphasize the fact that shipments were consolidated to increase efficiency, and Service , because the company recognized that service was all it had to sell. UPS grew quickly through the years and became well known for its chocolate-colored delivery vans and courteous drivers. The public also liked UPS's business concept. It was convenient to send packages by UPS, and people trusted UPS to deliver packages safely to their destinations. All kinds of people and businesses used UPS's services, from pharmaceutical companies that shipped lifesaving drugs across country to grandparents who sent their grandchildren birthday presents and boxes of candy at Christmas.

Although UPS has always been a friendly company, until the mid-1980s it relied primarily on technology to maintain efficiency, keep prices low, and provide new services. A major internal change took place at UPS in the mid-1980s when the company decided to shift its emphasis from technology to satisfying customer needs. This shift represented a recognition that UPS customers were becoming more sophisticated and had a variety of needs the company was uniquely equipped to satisfy. Paramount among these were an increased need for information, a desire to move packages even more quickly and efficiently, tremendous competitive pressure from Federal Express, and a demand for customized prices and services. UPS moved quickly to satisfy its customers' needs by developing new service products. For example, TotalTrack, which is available at UPS's Web site, can instantly provide customers with tracking information on all bar-coded UPS packages. This service helps vendors know when their buyers have received their shipments. Inventory Express is a contract logistics management service in which UPS stores a customer's merchandise and then ships it when it is needed, often on a just-in-time basis.

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UPS also has improved its basic package pickup and delivery services. Customers with urgent shipments can telephone UPS to take advantage of On-Call Air Pick Up, which provides fast pick up at the customer's home and overnight delivery of packages. To accommodate customers who ship to sparsely populated areas in the United States and abroad, UPS has improved its geographic reach to every address in the United States and locations in more than 185 countries and territories.

Required

(i) Based on the description of UPS, what do you believe are UPS's strengths and weaknesses?

[6 Marks]

(ii) How has UPS used technology in its design of quality services? Make your answer as substantive as possible.

[7 Marks]

(iii) Describe a positive or negative experience that you have had with UPS (or one of its competitors such as DHL or GDEX). If the experience was positive, reflect on whether the experience is consistent with UPS's new emphasis on customer needs. If the experience was negative, what could UPS have done to better satisfy your need?

[7 Marks]

SECTION B

QUESTION 2

(a) Think of a product you buy that is differentiated through quality. Do you believe the manufacturer's strategy to differentiate this product through quality is sustainable, or will the manufacturer eventually have to find other ways to attract you to the product? Explain your answer.

[10 Marks]

(b) Discuss the concept of consumer future needs projection. Does a firm that excels in this area have a competitive advantage? Please explain your answer.

[10 Marks]

Continued...

QUESTION 3

(a) Companies are attracted to Lean manufacturing because Lean helps organizations do more with less. Discuss how the two perspectives of lean manufacturing can provide substantial gains for organizations and their employees.

[10 Marks]

(b) An insurance claims department employs 10 claims adjusters who spend all day verifying that forms are valid and have been completed correctly. Forms with mistakes are useless and must be returned to the adjuster who must contact the customer again and resubmit the claim. The supervisor reviews two claims processed by each employee to verify that the process is working at acceptable levels. How should the process be monitored? Explain your reasoning.

[10 Marks]

QUESTION 4

(a) What are Ishikawa's seven basic tools of quality and how should they be used together?

[10 Marks]

(b) Discuss the role of customer-relationship management (CRM) for service providers in helping to maintain existing customers.

[10 Marks]

QUESTION 5

(a) Discuss the Five (5) components of a quality system.

[12 Marks]

(b) What are the Three (3) spheres of quality and how do they relate to the other components of the quality system model?

[8 Marks]

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